

Message Text

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46

ACTION EUR-25

INFO OCT-01 IO-12 ADP-00 CIAE-00 DODE-00 PM-09 H-02 INR-10

L-03 NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15 USIA-12

MBFR-03 GAC-01 COME-00 EB-11 LAB-06 SIL-01 OMB-01

TRSE-00 CU-04 STR-08 SCI-06 ACDA-19 EA-11 SAJ-01

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FM AMEMBASSY PARIS

TO SECSTATE WASHDC 9423

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MOSCOW

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USMISSION EC BRUSSELS UNN

USMISSION NATO

USMISSION GENEVA

AMCONSUL BORDEAUX

AMCONSUL LYON

AMCONSUL MARSEILLE

AMCONSUL MARTINIQUE

AMCONSUL NICE

AMCONSUL STRASBOURG

C O N F I D E N T I A L PARIS 11038

E. O. 11652: GDS

TAGS: PGOV, PINT, FR

SUBJECT: FRENCH ELECTIONS AND NEW GOVERNMENT -- PART II

1. SUMMARY. IN ATTEMPTING TO MEET ELECTORATE' S DESIRE FOR
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BOTH CHANGE AND CONTINUITY, GOF EXPECTED TO TRY TO REDRESS SOME
OF THE MOST GLARING SOCIAL AND ECONOMIC INEQUALITIES IN FRENCH

SOCIETY, BUT IS NOT EXPECTED TO CHANGE ECONOMIC SYSTEM FUNDAMENTALLY. ON THE FOREIGN POLICY SIDE, GOF WILL CONTINUE TO BE GUIDED BY FRENCH NATIONAL INTERESTS, PARTICULARLY ECONOMIC INTERESTS, BUT SHOULD CONTINUE MORE FLEXIBLE, PRAGMATIC APPROACH THAT HAS MARKED POMPIDOU'S ADMINISTRATION. END SUMMARY

2. PROGRAM OF SOCIAL AND ECONOMIC REFORMS PRIME MINISTER PROPOSED TO THE ASSEMBLY (PARIS' T-10177) DREW OPPOSITION AND PRESS CRITICISM BECAUSE IT DID NOT SPELL OUT COHESIVE SOCIAL PHILOSOPHY UNDERLYING THE PROPOSED MEASURES. WHEN ENACTED BY THE ASSEMBLY, HOWEVER, MEASURES SHOULD PROVIDE A SOMEWHAT BETTER DEAL FOR THE LEAST FAVORED IN FRENCH SOCIETY, I. E., LOWEST PAID WORKERS, HANDICAPPED PERSONS, WIDOWS, THE AGED, ETC. THE TAXATION SYSTEM WILL BE MODIFIED IN WAYS NOT YET SPELLED OUT TO BRING TAX BURDEN OF VERY RICH AND THOSE WITH MODEST INCOMES INTO BETTER ALIGNMENT. THE DEMANDS OF LABOR UNIONS AND THE LEFT IN GENERAL FOR THOUSAND FRANC (\$220) MONTHLY MINIMUM WAGE AND THE POSSIBILITY OF RETIREMENT AT AGE 60 FOR SOME CATEGORIES OF WORKERS WILL BE IMPLEMENTED. IN ADDITION, THE GOVERNMENT WILL TRY TO MAINTAIN SOME OF THE COLLECTIVE BARGAINING PROCEDURES ESTABLISHED BY THE CHABAN-DELMAS GOVERNMENT, WHICH RESULTED, AMONG OTHER THINGS, IN GUARANTEEING COST- OF- LIVING WAGE INCREASES FOR MANY WORKERS. THERE MAY ALSO BE SOME PILOT PROJECT EXPERIMENTS IN HUMANIZING WORK CONDITIONS, ESPECIALLY ON ASSEMBLY LINES, AND IN GIVING FACTORY WORKERS A GREATER STAKE IN THE MANAGEMENT OF THEIR ENTERPRISES. THESE MEASURES, TAKEN TOGETHER, WILL UNDOUBTEDLY BENEFIT FRENCH WORKERS AND THE DISADVANTAGED. IT IS CLEAR, HOWEVER, THAT PRESIDENT POMPIDOU BELIEVES THE FRENCH ECONOMY, AS PRESENTLY ORGANIZED, HAS GENERALLY PERFORMED WELL, AND THAT SUSTAINED, HIGH LEVEL OF ECONOMIC GROWTH IS A PREREQUISITE TO ECONOMIC WELL BEING OF THE VAST MAJORITY OF THE FRENCH PEOPLE. THUS, THE GOVERNMENT IS PREPARED TO TINKER WITH THE ECONOMIC MACHINERY TO TRY TO MAKE IT RUN MORE SMOOTHLY AND TO DIMINISH INEQUITIES, BUT IS NOT INCLINED TO UNDERTAKE A MAJOR OVERHAUL OF THE SYSTEM. ON ONE MAJOR ECONOMIC ISSUE THE GOVERNMENT'S POSITION IS NOT FULLY KNOWN. IT IS STILL NOT CLEAR HOW FAR GOF IS WILLING TO GO IN DAMPENING INFLATIONARY PRESSURES. A NEW SYSTEM OF PRICE AND POSSIBLY WAGE RESTRAINTS WILL PROBABLY BE ANNOUNCED SOON BUT ITS STRINGENCY IS STILL AN OPEN QUESTION.

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EM WHETHER THE GOVERNMENT'S GRADUAL " REFORMIST" RATHER THAN " REVOLUTIONARY" APPROACH WILL SATISFY THE ELECTORATE'S DEMAND FOR CHANGE REMAINS TO BE SEEN. THERE IS EVIDENCE THAT THE LOWEST PAID WORKERS, PARTICULARLY THE IMMIGRANT WORKERS, ARE BECOMING INCREASINGLY SUSCEPTIBLE TO INFLUENCE OF THE EXTREME LEFT (PARIS' T-10843). MOREOVER, EXPECTATIONS OF WORKERS WERE STIMULATED BY THE LEFT'S ELECTION CAMPAIGN. AS THE CURRENT STRIKE AT RENAULT INDICATES, THESE FACTORS CAN CREATE TOUCHY SITUATIONS. WE CONTINUE TO BELIEVE, HOWEVER, THAT CURRENT PROSPERITY, IN WHICH ALL SECTORS

OF FRENCH POPULATION SHARE TO SOME EXTENT, AND GOVERNMENT REFORM EFFORTS WILL OVER TIME DAMPEN EXTREME WORKER MILITANCY, AND WE DO NOT EXPECT PERIOD OF NATIONWIDE, SUSTAINED LABOR UNREST.

4. IN THE SOCIAL AREA, PRESIDENT POMPIDOU APPEARS CONVINCED THAT GREAT MAJORITY OF FRENCH PEOPLE, WHAT HE MIGHT CALL HIS " SILENT MAJORITY," IS OPPOSED TO RADICAL SOCIAL CHANGE. HE HAS TAILORED GOVERNMENT' S PROGRAM ACCORDINGLY. THERE ARE NO PROVISIONS IN THE PROGRAM, FOR EXAMPLE, FOR RELAXATION OF THE ABORTION LAWS. MOREOVER, GOVERNMENT HAS TAKEN HARD LINE ON THE STUDENT DEMONSTRATIONS (PARIS' T-10008). WE HAVE BEEN TOLD BY WELL- PLACED GOF OFFICIALS THAT POMPIDOU AND MESSMER ARE INCLINED TO GIVE THE STUDENTS AND GAUCHISTES " SUFFICIENT ROPE TO HANG THEMSELVES." THEY BELIEVE, IN SHORT, THAT " REVOLUTIONARY YOUTH" HAS LITTLE SYMPATHY IN THE COUNTRY. GOVERNMENT IS EXPECTED TO BE RESPONSIVE, HOWEVER, TO ORGANIZED PRESSURE GROUPS WHICH CONSTITUTE PART OF GOVERNMENT' S TRADITIONAL, CONSERVATIVE CONSTITUENCY. THUS, GOF WILL BE PARTICULARLY SYMPATHETIC TO FARM GROUPS AND DEFEND FRENCH AGRICULTURAL INTERESTS FIRMLY IN BRUSSELS AND IN FORTHCOMING TRADE NEGOTIATIONS. SIMILARLY, APPOINTMENT OF CONSERVATIVE MAYOR OF TOURS, JEAN ROYER, AS MINISTER OF COMMERCE, INDICATES GOVERNMENT' S RESOLVE TO SATISFY AT LEAST MINIMUM DEMANDS OF SMALL SHOPKEEPERS AND ARTISANS.

5. FOREIGN POLICY WAS ONE OF THE PRIVATE PRESERVES (DOMAINE RESERVE) OF CHARLES DE GAULLE, AND PRESIDENT POMPIDOU HAS CONTINUED THIS TRADITION. THE NOMINATION OF HIS ELYSEE CABINET DIRECTOR MICHEL JOBERT AS MINISTER OF FOREIGN AFFAIRS OBVIOUSLY SIGNALS NOT ONLY THAT PRESIDENT POMPIDOU INTENDS TO DIRECT PERSONALLY THE BROAD OUTLINES OF FOREIGN POLICY, BUT ALSO THAT HE INTENDS TO ENSURE THAT HIS GUIDELINES ARE METICULOUSLY AND ACCURATELY TRANSLATED INTO ACTION. THERE ARE HIGHLY IMPORTANT INTERNATIONAL NEGOTIATIONS AFFECTING FRENCH INTERESTS -- CSCE, CONFIDENTIAL

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SALT II, MBFR, RELATIONS BETWEEN EC AND THE US AND JAPAN, CONSOLIDATION OF THE ENLARGED EUROPEAN COMMUNITY -- WHICH POMPIDOU UNDERSTANDABLY INTENDS TO SUPERVISE OR FOLLOW PERSONALLY. WE ARE TOLD THAT PRESIDENT' S AND JOBERT' S PRINCIPAL PREOCCUPATION IS THE FORTHCOMING TRADE AND MONETARY NEGOTIATIONS WITH THE US AND PRESENT GOVERNMENT COMPOSITION DESIGNED PARTICULARLY TO FACILITATE ELYSEE CONTROL OVER THIS AREA. IN SHORT, IN THE FOREIGN AND DEFENSE POLICY FIELD, WE EXPECT THE PRESIDENT TO CONTINUE TO DEFINE FRENCH POLICY IN ACCORD WITH HIS UNDERSTANDING OF THE NATIONAL INTEREST OF FRANCE. THERE IS NO REASON TO BELIEVE THAT HE WILL CHANGE THE PRAGMATIC APPROACH TO FOREIGN AND DEFENSE POLICY ISSUES THAT MARKED HIS PAST THREE AND A HALF YEARS IN OFFICE.
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TAGS: PGOV, PINT, FR
To: STATE INFO BONN
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COPENHAGEN
DUBLIN
LONDON
LUXEMBOURG
MOSCOW

ROME
THE HAGUE
EC BRUSSELS UNN
NATO
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STRASBOURG

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